



State of California
Employment Training Panel

Training Proposal for:
Severn Trent Services, Inc.

Agreement Number: ET09-0259

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **North Hollywood**

Analyst: L. Vuong

PROJECT PROFILE

Contract
Type: Priority/Retrainee

Industry
Sector(s): Manufacturing

Counties
Served: Los Angeles

Repeat
Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

No. Employees in CA: 135

No. Employees Worldwide: 2,800

Turnover Rate %	Manager/ Supervisor %
7%	11%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$156,870	\$0	\$156,870

In-Kind Contribution
\$157,965

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills; Computer Skills; Continuous Improvement; Literacy Skills; Management Skills; Manufacturing Skills	105	24-180	N/A	\$1,494	\$14.02
				Weighted Avg: 83			

Minimum Wage by County: Los Angeles County - \$14.02

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

*\$2.38 per hour may be used to meet the Post-Retention Wage.

Other Benefits: 401K; Tuition Reimbursement; Safety Incentive; Signing Bonus; and Employee Referral Bonus

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Production Staff	
Technicians	
Engineers	
Supervisors/Managers	

INTRODUCTION

In this proposal, Severn Trent Services, Inc. (STS) seeks funding for retraining as outlined below:

STS is a member of the Severn Trent Plc. Group with global headquarters in Pennsylvania and 90 locations throughout the world. It is one of the world's leading suppliers of water and waste water treatment solutions and has a growing presence in Europe, the Middle East, and Asia. It has three main divisions: Water Purification, Operating Services, and Analytical Services.

In California, the company manufactures a variety of water treatment and processing equipment. STS qualifies for standard ETP funding as a manufacturer facing out-of-state competition under Title 22, California Code of Regulations, Section 4416 (d)(1,2).

STS designs and manufactures disinfection products used for water treatment, water bottling, desalination, water management, wastewater treatment, and disposal. Its products are designed to analyze, treat, measure, deliver, and protect water resources. Products include hypochlorite generators, analyzers, water test kits, gas leak detectors, controllers, filtration and disinfection equipment, water meters, and industrial processing equipment.

The company's corporate headquarters and manufacturing facility are located in Torrance where all training will take place.

PROJECT DETAILS

STS's goal is to become a value-focused, customer-driven organization and a high performance workplace. In order to stay competitive, STS must convert to a Lean Manufacturing operation to redesign the production area. Employees will be cross-trained which will increase productivity and improve production layout. Employees will gain skills needed to produce a product from beginning to end. This will require shifts in the manufacturing workflow and the way employees think about their jobs. Employees in all departments must learn to work in teams, redesign processes and workflow, become more efficient, and reduce waste in order to meet customer demands.

STS has developed a company-wide program to modernize business systems and procedures. The training outlined in this proposal will provide new skill sets to workers in all departments.

STS proposes to train its employees in the following:

Business Skills training will allow all trainees to become proactive with customers, develop communication skills, customer relationship skills, and client servicing skills to present a unified, efficient, and customer-focused approach to its customers.

Computer Skills training will allow Administrative Staff, Technicians, Engineers, Supervisors, and Managers to develop blueprints and wiring diagrams for production based on customized customer requirements. Trainees will learn how to use Microsoft Office programs to improve internal and external communications.

Continuous Improvement will be provided to all trainees to focus on quality and process improvement in order to reduce costs, eliminate waste, identify and resolve problems, and generally provide better quality products that will attract new and continuing customers.

Literacy Skills will be provided to production workers that need to improve their written and verbal skills in English to take advantage of the training program, improve their overall jobs skills, work more independently, and participate more fully in STS's improvement processes. Literacy Skills will help workers become more technically proficient.

Management Skills training will be provided only to managers and supervisors and will focus on leading the changes in the organization, implementing new systems, procedures, reducing costs, motivating and supporting employees, and exceeding customer's expectations.

Manufacturing Skills will focus on the company's day-to-day operations. Training in production processes and lean enterprises will upgrade worker's production efficiency, increase productivity, and reduce cycle time and inventory levels.

Commitment to Training

STS represents that ETP funds will not displace the existing financial commitment to training. Indeed, STS anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

The company's current annual training budget is approximately \$150,000 which, in the past, has been used for providing training in advanced software, safety, and new hire orientation. Most training has been on-the-job, primarily given by internal personnel. ETP funding will allow STS to provide well-designed, goal-oriented company-wide training in order to sustain growth and remain competitive in California. With ETP funding, STS will be able to implement changes throughout the organization to meet its goals.

Once the ETP program has concluded, STS is committed to continuing the quality and frequency of employee training.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal based on STS's stated the need to upgrade the skills of its workforce and provide them a formal training program in the company's processes. In making this recommendation, staff notes that STS is a manufacturing company, which is among the Panel's targeted industries. The proposed training will enable STS to adapt to a high performance workplace and foster retention of manufacturing jobs in California.

DEVELOPMENT SERVICES

The company retained International Optimum Solutions in Valencia to assist with development of this proposal at no cost.

ADMINISTRATIVE SERVICES

The company will also retain International Optimum Solutions to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

24 – 180

Trainees will receive any of the following:

Business Skills

- Project Management Planning & Control Skills
- Communication & Client Servicing Skills
- Advanced Customer Relationship Skills

Computer Skills

- CAD (Computer-Aided Design) Skills
- Computer Networking Procedures
- Intermediate & Advanced Microsoft Office

Continuous Improvement

- Lean Manufacturing
- 6 Sigma
- Team Building
- Root Cause Analysis & Problem Solving
- SPC – Statistical Process Control
- Leadership Skills for Frontline Workers

Manufacturing Skills

- Blueprints & Wiring Diagrams Reading
- Shop Math Skills
- Operations Support Material Skills & Procedures
- Welding Methods & Procedures
- Fabrication Methods & Procedures
- Assembly Methods & Procedures
- Cross-Training in Production Equipment/Skills

Management Skills

(Management Skills will be given to Managers and Supervisors Only)

- Change Management
- Business Operations & Procedures
- Team Leadership & Goal Setting

Literacy Skills

(Not to exceed 45% of the total job-specific skills training hours)

- Vocational English as a Second Language (VESL)
- Verbal Skills – Workplace Terminology
- Writing Skills – Data Collection & Reporting